

Company No: 03244100

ESTATES & MANAGEMENT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

TUESDAY



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30/12/2014

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COMPANIES HOUSE

DIRECTOR AND OFFICERS

DIRECTORS

W K Procter
M J Gaston
W K Goldsmith

SECRETARIES

P A Hallam

REGISTERED OFFICE

Molteno House
302 Regents Park Road
London
N3 2JX

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

STRATEGIC REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 2013

Review of the business and future developments

The company provides property management services, including the collection and distribution of rents and ancillary income, to a large portfolio of ground rent owning property companies

The results for the company show profit of £3,638,802 (2012 £1,787,390)

The company has a cash balance, net of an overdraft of £1,570,116 (2012 £2,709,256) as at the balance sheet date. All amounts are held on trust for ground rent owning property companies

In the opinion of the directors the result for the year and the financial position of the company at 31 December 2013 were satisfactory, subject to the matters discussed in the accounting policies on page 8 which may have an impact on the company's ability to continue as a going concern

The external commercial environment has remained competitive during 2012 and 2013, and is expected to continue to do so throughout 2013 and 2014

The company is committed to building a solid reputation founded on honesty and professionalism, and is dedicated to best practice and high standards of business ethics

The company, together with its related party property owning groups of companies, is looking to increase its market share of the ground rent portfolio under management

The directors consider that other than in respect of the matters set out on page 8 the key business risks and uncertainties affecting the company relate to competition and employee retention. In 2013, performance in both these areas was acceptable

Given the straight forward nature of the business, the company's directors are of the opinion that detailed analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. As a result the company does not recognise, or monitor, specific key performance indicators

By order of the Board



W K Procter
Director

DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ended 31 December 2013

Principal activity

The principal activity of the company during the financial year was property management

Review of the business and future developments

The directors consider the company's results for the year, and its financial position at year end, to be satisfactory

Results and dividends

The profit for the year was £3,638,802 (2012 £1,787,390) The directors do not recommend the payment of a dividend

Directors

The directors who served since 1 January 2013 were as follows

W K Procter
M J Gaston
W K Goldsmith

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent, and
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DIRECTORS' REPORT

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board



W K Procter

Director

18/12/ 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTATES & MANAGEMENT LIMITED

We have audited the financial statements on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

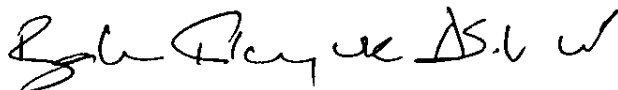
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Colin Roberts FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

23 DECEMBER 2014

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
Turnover	1	11,135,659	9,161,814
Administrative expenses		(7,497,073)	(7,374,657)
Operating profit		<u>3,638,586</u>	<u>1,787,157</u>
Interest receivable		216	233
Profit on ordinary activities before taxation	2	<u>3,638,802</u>	<u>1,787,390</u>
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation	8	<u>£ 3,638,802</u>	<u>£ 1,787,390</u>

The operating profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

ESTATES & MANAGEMENT LIMITED**Page 7****BALANCE SHEET (Company Registration Number. 03244100)****AT 31 DECEMBER 2013**

	Notes	2013 £	2012 £
Current assets			
Debtors	5	11,437,459	5,506,080
Cash at bank and in hand		1,570,116	2,709,256
		<u>£ 13,007,575</u>	<u>£ 8,215,336</u>
Creditors' amounts falling due within one year	6	(2,185,751)	(1,032,314)
		<u>£10,821,824</u>	<u>£ 7,183,022</u>
Net Assets			
Capital and reserves			
Called up share capital	7	2,000,000	2,000,000
Profit and loss account	8	8,821,824	5,183,022
Shareholders' funds	8	<u>£10,821,824</u>	<u>£ 7,183,022</u>

The financial statements on pages 6 to 11 were approved by the board of directors and authorised for issue on 18/12/14 and are signed on its behalf by



W K Procter
Director

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**ACCOUNTING POLICIES**

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Going concern

The company is party to a group funding structure. The directors are aware that the company's parent, Fairhold Services Limited, who is also party to that structure, has uncertainties in respect of its cash flows but the directors do not consider that those uncertainties will have a material impact upon the ability of Estates & Management Limited to continue as a going concern. These uncertainties are fully disclosed in the group accounts of Fairhold Services Limited. The directors have assessed the operation of the structure and have determined that the company has, or can expect to have, sufficient working capital for its needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Turnover comprises management charges and administration fees receivable in respect of property management.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Deferred tax is measured on a non-discounted basis.

Cash flow statement

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Turnover and profit on ordinary activities before taxation

The company's turnover and profit on ordinary activities before taxation are derived from its principal activity wholly undertaken in the United Kingdom

2 Profit on ordinary activities before taxation	2013	2012
	£	£
This is stated after charging		
Auditor's remuneration	£ 5,000	£ 5,000

3 Employees and director

Other than the directors who received no remuneration, no persons were employed during the year

4 Taxation	2013	2012
	£	£
Current tax		
UK corporation tax on profit for the year	-	-
Total current tax	-	-
Deferred tax	-	-
Tax on profit on ordinary activities	£ -	£ -
Factors affecting tax charge for the year		
Profit on ordinary activities before tax	£ 3,638,802	£ 1,787,390
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 23% (2012 24%)	836,924	428,974
Effects of		
Non-deductible expenses	60,831	240,000
Group relief received without charge	(925,828)	(687,850)
UK transfer pricing	28,072	18,876
Current tax charge for the year	£ -	£ -

5 Debtors	2013	2012
	£	£
Amounts owed by parent undertaking	11,403,268	5,488,910
Amounts owed by related parties	-	17,170
Sundry debtors	34,191	-
	£ 11,437,459	£ 5,506,080

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

6 Creditors' amounts falling due within one year	2013 £	2012 £
Trade creditors	131,300	15,164
Accruals & deferred income	431,313	131,531
Other tax and social security	1,623,138	885,619
	<u>£ 2,185,751</u>	<u>£ 1,032,314</u>

7 Share capital	2013 £	2012 £
Equity		
Allotted, issued and fully paid		
2,000,000 Ordinary shares of £1 each	£2,000,000	£ 2,000,000
	<u>£2,000,000</u>	<u>£ 2,000,000</u>

8 Reserves and reconciliation of movements in shareholders' funds	Share capital £	Profit and loss account £	Total shareholders' funds £
Opening shareholders' funds	2,000,000	5,183,022	7,183,022
Profit for the year	-	3,638,802	3,638,802
Closing shareholders' funds	<u>2,000,000</u>	<u>8,821,824</u>	<u>10,821,824</u>

9 Immediate and United Kingdom holding companies

The immediate parent company is Fairhold Services Limited a company incorporated in England and Wales. This undertaking is the holding company of both the largest and smallest group for which group accounts are prepared and of which the company is a member. Copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

10 Ultimate holding company

The directors regard the ultimate holding company to be Euro Investments Overseas Incorporated, a company incorporated in the British Virgin Islands.

11 Ultimate controlling party

The ultimate controlling party is the Tchenguiz Family Trust.

DETAILED PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2013**

12 Related party transactions

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group

During the year the company made management charges totalling £7,576,712 (2012 £7,611,706) in respect of property management services provided to related party property owning companies, not covered by the exemption. The individual companies have not been listed out due to the immaterial nature of the individual balances coupled with the fact that they all fall under the ultimate ownership of the Tchenguiz Family Trust. These companies are related by virtue of common directors and/or common control, and fall under the ultimate ownership of the Tchenguiz Family Trust